

**Teachers' Superannuation Fund
Statement of Revenue and Expenditure**Year Ended December 31, 1978
(Expressed in Thousands)

	REVENUE	1978	1977
Contributions from participants			
Teaching for Ontario boards	\$	118,680	\$ 109,514
Teaching in designated private schools		2,143	1,921
Outside services		307	231
Miscellaneous		5,449	6,143
		<u>126,579</u>	<u>117,809</u>
Contributions from the Provincial Treasury			
per section 22 of the Teachers' Superannuation Act, including interest of \$10,856 (\$9,848 in 1977)		121,414	110,140
Special payments from the Provincial Treasury			
Interest on 1966 actuarial unfunded liability		11,402	34,697
Amortization of post 1966 actuarial unfunded liability and interest thereon		191,330	43,827
Experience deficiency and interest thereon		11,979	
Minimum pension subsidy, including pension escalations		40,574	32,700
		<u>255,285</u>	<u>111,224</u>
Interest earned			
Province of Ontario debentures		214,014	163,629
Temporary investments		3,370	1,301
Repayment of refunds and sundry interest		1,747	1,310
		<u>219,131</u>	<u>166,240</u>
Recovery of pension escalations from Superannuation Adjustment Fund		1,340	355
Transfers from other pension funds		673	1,068
Repayments of refunds by former participants resuming teaching		641	669
	\$	<u>725,063</u>	<u>\$ 507,505</u>
	EXPENDITURE	1978	1977
Pensions paid			
Service	\$	118,784	\$ 103,982
Disability		6,821	6,169
Dependents		7,527	6,255
Joint annuities		53	52
		<u>133,185</u>	<u>116,458</u>
Refunds of contributions and interest thereon			
To participants who have withdrawn		9,393	9,428
To representatives of deceased participants		562	444
		<u>9,955</u>	<u>9,872</u>
Transfers to other pension funds		983	1,088
Administration expenses		2,046	1,800
TOTAL EXPENDITURE		<u>146,169</u>	<u>129,218</u>
EXCESS OF REVENUE OVER EXPENDITURE ADDED TO CAPITAL		578,894	378,287
	\$	<u>725,063</u>	<u>\$ 507,505</u>

**Teachers' Superannuation Fund
Notes To Financial Statements**December 31, 1978
(Expressed in Thousands)**1. ACCOUNTING POLICIES****(a) Fixed assets**

In accordance with the provisions of the Teachers' Superannuation Act, all expenditures on real property are reflected as administration expenses in the statement of revenue and expenditure in the period of acquisition as are all other purchases of fixed assets.

(b) Revenue

Contributions from participants are reflected in the year in which they are received. Contributions from the Provincial Treasury are reflected in the year in which payment is due while special payments from this source are reflected in the year of receipt.

Interest earned on short term notes and investments is recorded on an accrual basis.

(c) Refund of contributions and repayments of refunds

The liability of the fund for refunds of contributions to participants who have left the profession and have not yet withdrawn their contributions is not specifically set up, the liability being considered an actuarial liability similar to the liability of the fund for annuities. In addition, no asset has been set up for the amounts due from participants who withdrew their contributions upon temporarily leaving the profession but who have since resumed teaching.

2. ACTUARIAL UNFUNDED LIABILITY

The amount of the actuarial unfunded liability is not reflected in the financial statements. The latest four triennial actuarial reports show deficiencies at December 31 of each of the mentioned years as follows:

1975	\$1,397,178
1972	557,877
1969	382,265
1966	328,282

The Pension Benefits Act of Ontario requires the employer to maintain the actuarial unfunded liability at its December 31, 1966 level. Accordingly the Province of Ontario is required to pay into the fund the following minimum annual payments:

\$144,436 per year to December 31, 1980,
138,571 for the next nine years ending December 31, 1989,
116,657 for the year ending December 31, 1990, and
22,980 payable thereafter.

At the direction of the Minister of Education the Commission has commenced the policy of updating the latest triennial actuarial valuation on an annual basis. The most recent available update, made as at December 31, 1976, indicated an unfunded liability of \$1,593,792. There is no legal requirement for the Province to adjust its minimum annual payment until the next triennial valuation which will be made as of December 31, 1978.

**Teachers' Superannuation Fund
Investments**Schedule A
December 31, 1978
(Expressed in Thousands)**INVESTMENTS**

Investments consist of the following:

	1978	1977
Province of Ontario debentures at cost:		
6% due November 1, 1982	\$ 74,200	\$ 74,200
6% due November 1, 1987	176,000	176,000
6% due November 1, 1992	454,500	454,500
8.57% due May 1, 1996	18,000	18,000
8.57% due November 1, 1996	74,000	74,000
8.57% due January 1, 1997	18,000	18,000
8.57% due March 30, 1997	62,000	62,000
7.86% due May 1, 1997	25,500	25,500
7.86% due November 1, 1997	84,500	84,500
7.86% due January 1, 1998	9,500	9,500
8.06% due April 2, 1993	50,000	50,000
8.06% due May 1, 1993	32,000	32,000
8.06% due October 1, 1993	5,000	5,000
8.06% due November 1, 1993	92,000	92,000
8.06% due January 1, 1994	16,000	16,000
8.39% due April 1, 1999	2,600	2,600
8.39% due May 1, 1999	46,000	46,000
8.39% due September 30, 1999	40,000	40,000
8.39% due November 1, 1999	117,000	117,000
8.39% due January 1, 2000	80,500	80,500
10.04% due May 1, 1995	50,000	50,000
10.04% due November 1, 1995	119,500	119,500
10.04% due January 1, 1996	28,000	28,000
10.11% due May 1, 2001	59,000	59,000
10.11% due November 1, 2001	74,000	74,000
10.11% due January 1, 2002	132,000	132,000
10.11% due February 1, 2002	10,500	10,500
10.11% due March 1, 2002	17,500	17,500
10.11% due March 31, 2002	41,500	41,500
9.82% due May 1, 2002	62,000	62,000
9.82% due November 1, 2002	80,000	80,000
9.82% due January 1, 2003	230,000	230,000
9.82% due March 30, 2003	108,000	108,000
9.82% due March 30, 2003	8,000	8,000

Deposits with the Province of Ontario to be used in purchasing Province of Ontario debentures	187,719	142,000
	<u>2,685,019</u>	<u>2,151,300</u>
Accrued interest	63,022	42,768
	<u>\$ 2,748,041</u>	<u>\$ 2,194,068</u>

**Schedule B
Administration Expenses
Year Ended December 31, 1978
(Expressed in Thousands)**

	1978	1977
Staff salaries	\$ 1,189	\$ 1,047
Staff benefits	144	121
Commissioners' salaries	14	18
Travel expense	29	26
Actuarial services	37	69
Medical fees	11	7
Audit fees	18	15
Legal fees	4	3
Postage	41	35
Printing and stationery	121	142
Data centre services	134	105
Rental of office equipment	34	41
Repairs and maintenance	34	35
Utilities	46	42
Insurance	2	2
Office equipment and furniture	41	31
Sundry expenses	66	39
Translation services	5	5
Office dictaphone service	4	14
Interprovincial Conference on Teachers' Pensions — 1977	8	1
Court award	8	
Acquisition of property adjoining Commission offices	74	
	<u>\$ 2,046</u>	<u>\$ 1,800</u>

**Personnel of the Commission
as of December 31, 1978****(a) Appointed by the Minister:**

Mr. J.R. Thomson (Chairman) Teachers' Superannuation Commission
Mr. H.A. Blanchard, Member, Teachers' Superannuation Commission
Mr. P.W. Ferren, Director of Education, The Timmins Board of Education
Mr. J.F. Kinlin, Member, Teachers' Superannuation Commission
Mrs. Jean McConnell, Regional Superintendent of Education, Ministry of Education
Mrs. Ethel McLellan, Assistant Deputy Minister, Administrative & Financial Services Division, Ministry of Education

(b) Teacher Representatives:

Mr. Fred Allen, Ontario Secondary School Teachers' Federation
Mr. R.E. Poste, Ontario Public School Men Teachers' Federation and Urban Inspectors
Mr. Robert Scott, Ontario English Catholic Teachers' Association
Miss Isabel Ward, Federation of Women Teachers' Associations of Ontario
Mr. Léon Vigneault, L'Association des enseignants franco-ontariens

Acknowledgements

The Commission acknowledges with deep appreciation the assistance which has been received throughout the year from its expert advisers —

Dr. B.W. Vale, Medical Referee
Mr. L.R. MacTavish, Solicitor
Eckler, Brown, Segal & Company Ltd., Actuary

The advice of these officials has contributed very greatly to the supervision of the Fund by the Commission.

Communications

All communications should be addressed to Mr. J.R. Causley, Director, Teachers' Superannuation Commission, 190 Finch Avenue West, Willowdale, Ontario, M2R 1M4. Telephone (416) 226-2700.

When corresponding with the Commission, the teacher must quote his/her Social Insurance Number.

(Issued by the Authority of the Teachers' Superannuation Commission, September, 1979.)

OFFICE CONSOLIDATION

THIS EDITION IS PREPARED FOR PURPOSES OF CONVENIENCE ONLY, AND FOR ACCURATE REFERENCE RECOURSE SHOULD BE HAD TO THE OFFICIAL VOLUMES OF THE ACTS AND REGULATIONS.

This Publication is available in the French language

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**TEACHERS' SUPERANNUATION COMMISSION****REPORT TO CONTRIBUTORS
FOR THE YEAR ENDED
31 DECEMBER, 1978**

Chairman's Report

Once again the past year has been a very busy one for the Commission and staff as more and more teachers are seeking information about their particular situations upon retirement. The workshops that have been and are being sponsored by the various affiliates of the Ontario Teachers' Federation on matters relating to retirement and superannuation have made many teachers aware of situations and conditions that could be used to improve considerably their financial positions upon retirement.

I should like to urge all teachers who have gaps in their superannuation credits to take advantage of any of the workshops in their area and request an appointment with one of the counsellors from the Commission during the workshop program. It is much more productive to be able to discuss all aspects of a particular problem and to explore all the means available to receive the maximum possible benefits than it is to do so by correspondence. If, however, there is no workshop

arranged for your area, do not hesitate to write giving as much background information as possible about the matter or matters that are of concern to you.

The Commission has purchased property adjacent to the present offices in order to provide additional accommodation for an increase in staff to handle the ever-increasing volume of work. Unfortunately, it has taken considerably longer than anticipated to get the approval of all the bodies concerned with the re-zoning of the land, but we hope that all the necessary approvals will be given in the near future.

Our data processing equipment has been relocated and updated to provide faster access to the records of any particular teacher but, until we are able to provide additional accommodation for follow-up staff, we will not be able to provide replies to requests for information as expeditiously as we should like.

J. R. Thomson

Director's Report

In 1978 a Reciprocal Agreement was signed with the Teacher Funds of Alberta, Saskatchewan, Manitoba, Quebec, Prince Edward Island, New Brunswick and Nova Scotia. This agreement was the culmination of many years of negotiation and the only regret is that it does not include the funds of British Columbia and Newfoundland. We hope that they eventually will join.

This agreement means that if a teacher has moved or moves from one province to another and if the contributions have been left in the "exporting fund", a transfer of double the teacher contributions plus interest can be made to the "importing fund". In the case of Saskatchewan and Prince Edward Island, a repayment of a refund may be accepted by those funds in order that a transfer may

be made under the agreement. Under certain circumstances this may also be done in Alberta. Where there is a repayment of a refund to be made, this must be done before any transfer may be made to the importing jurisdiction.

A person who has come to Ontario from one of these provinces and who wishes to come under the Reciprocal Agreement and who has taught for at least one year in Ontario should write to this office for details of the correct procedure. There may possibly be a direct payment required to get full credit in the Ontario Fund for service in the other province but this cannot be determined until we have full information from such other province concerning the service and salary at the time of the teaching.

I would like to emphasize the fact that if a person loses salary for any reason there is a corresponding loss of credit towards pension. Under certain circumstances it is possible to make a direct payment into the fund and receive full credit for the period of absence. However, there is a two-year limit in time in which the payment may be accepted, and it is important that where there has been a loss of salary, the teacher make enquiry about the direct payment upon return to employment.

Payment for periods of absence may be made for the following reasons:

personal illness	member of local board
duty as a juror	sabbatical leave
member of council	adoption of a child
study	member of Ontario Legislature
pregnancy	approved travel
member of House of Commons	

If the time limits have passed, it is possible to make a payment at the time of going on pension. This second chance is probably more expensive in that the payment required is the cost of the extra pension provided by the extra time.

Please note that any direct payment must be made before 31 December in order that it may be included as a deduction from income tax for that calendar year.

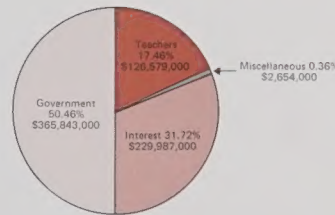
To assist teachers in making decisions on the advisability or otherwise of getting credit for periods of non-teaching service, the Commission attends workshops on weekends throughout the year. These will be operated by the Ontario Teachers' Federation and information concerning the locations for next year will be available early in the 1979-1980 school year.

In accordance with a request by the Minister of Education, the Actuary produced a report on the fund as of 31 December, 1977. The same actuarial method and assumptions as used in the 1975 valuation were applied. The result of the valuation is that the unfunded liability stands at \$1,517,000,000 which was an experience gain of \$44,000,000 over the liability as determined by the interim valuation made in 1976.

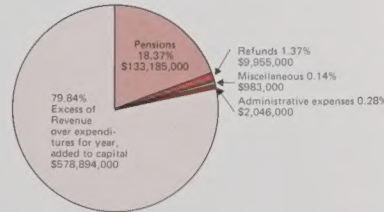
J. R. Causley

For the Period
January 1, 1978 to December 31, 1978

Income



Distribution

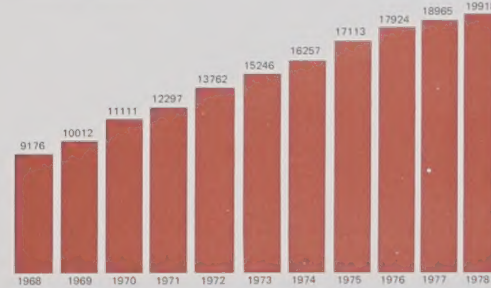


Changes in the Pension Register in the Fiscal Periods 1977 - 1978



*Class "J" pension is one where the teacher has elected to receive a reduced pension which, upon the death of the teacher, is payable in half the amount to a named dependant.

Number of Pensioners



Teachers' Superannuation Fund Financial Statements

Year Ended December 31, 1978

Auditors' Report

Statement of Assets and Liabilities

Statement of Revenue and Expenditure

Notes to Financial Statements

Schedules

Investments

Administration Expenses

Thorne

Riddell

& Co.

Chartered Accountants

Auditors' Report

The Honorable Frank S. Miller
Minister of Treasury
Economics and Intergovernmental Affairs
The Province of Ontario

We have examined the statement of assets and liabilities of the Teachers' Superannuation Fund as at December 31, 1978 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1978 and the results of its operations for the year then ended in accordance with the accounting policies set out in note 1 to the financial statements on a basis consistent with that of the preceding year.

North York, Ontario

March 23, 1979

Thorne Riddell & Co.

Chartered Accountants

Teachers' Superannuation Fund Statement of Assets and Liabilities

December 31, 1978
(Expressed in Thousands)

ASSETS

	1978	1977
Cash	\$ 2,938	\$ 16,372
Receivable from the Province of Ontario		
Contributions by the Province	110,558	100,292
Interest on contributions	10,856	9,848
Increase in pension payments	3,352	
Receivable from school boards, net		252
Short term notes, at cost plus accrued interest of \$197 (\$33 in 1977)	30,197	5,533
Investments, at cost plus accrued interest	2,748,041	2,194,068
	<u>\$ 2,905,942</u>	<u>\$ 2,326,365</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 941	\$ 737
Payable to school boards, net	241	
Due to Superannuation Adjustment Fund	703	465
	<u>1,885</u>	<u>1,202</u>

CAPITAL FUND

Balance at beginning of year	\$ 2,325,163	\$ 1,946,876
Add excess of revenue over expenditure	578,894	378,287
Balance at end of year	<u>2,904,057</u>	<u>2,325,163</u>
	<u>\$ 2,905,942</u>	<u>\$ 2,326,365</u>